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Contact: Ryan McMaken, Director, Community Relations Colorado Division of Housing	Phone: 303-866-4651 E-mail: Ryan.McMaken@state.co.us
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Foreclosure Hotline Gears Up for 2007

With a new statewide advertising campaign and a growing list of sponsors, the Colorado Foreclosure Hotline will be working to reach more homeowners at risk of foreclosure in 2007. On January 15, new public service announcements (PSAs) began airing on radio and television stations throughout Colorado. The new campaign was launched in an effort to reach more of the tens of thousands of homeowners in Colorado that have missed mortgage payments and are at risk of foreclosure.

Zachary Urban, director of housing counseling for Brothers Redevelopment, Inc. and manager of the Hotline says, "Since the group started testing the toll-free Hotline four months ago, more than 6,800 calls have been received from people looking for help." Homeownership counseling agencies have been working overtime to deal with the load of homeowners seeking help with their home loans.

The new PSAs, which encourage calls to the toll-free Hotline at 1-877-601-HOPE, were produced with the underwriting help of Freddie Mac, one of the nation's largest purchasers of mortgages. "Freddie Mac is committed to sending late-paying borrowers a message: You have workout options and now you have better ways to pursue them," said William A. Merrill, Freddie Mac's director of non-performing loans. "We are delighted to work with the State of Colorado, JPMorganChase, and the other partners to make this new Hotline available to Colorado borrowers."

The new PSAs have already increased hotline traffic over 100% since they began airing, and since the foreclosure hotline is a free service for homeowners, new funds are continually needed to support the housing counseling.

The Colorado Division of Housing is one of the primary sponsors of the hotline. Division Director Kathi Williams, a member of the Foreclosure Prevention Task Force that created the Hotline, notes that the sponsors are focusing on two things: "Through the new PSAs, we want to reach as many households as we can who might be at risk of foreclosure. And, we want to make sure that when those people call the Hotline, that they're able to receive help quickly and easily."

Hotline sponsors have been calling national mortgage lenders with customers in Colorado to assist the Hotline in building more housing counseling capacity. According to Williams, "There's a lot of interest out there. We just want to make that interest translate into resources for housing counselors in 2007."

Debra Bustos, Vice President of JPMorganChase in Colorado and a member of the Foreclosure Prevention Task Force, hopes more mortgage lenders will join in the effort. "We're very pleased that both the Colorado Mortgage Lenders Association and US Bank have recently joined us in supporting this Hotline. Foreclosures cost banks and other mortgage lenders a lot of money, and their participation will help keep more people in their homes." Bustos spearheaded the task force idea.

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The list of Hotline supporters also includes county Public Trustees, the Colorado Association of Realtors, and Fannie Mae, and the Task Force is pleased to earn the support of incoming executive director of the Colorado Department of Local Affairs, Susan Kirkpatrick.

Chris Holbert, president of the Colorado Mortgage Lenders Association, echoed the sentiment pointing out: "We recognize that consumers facing foreclosure are embarrassed, angry, frightened, and often stop answering their phone and opening their mail. That break down in communication prevents any workable solution from being reached. Ultimately, the homeowner loses their home and the lender generally incurs a greater financial loss when the home is sold as a foreclosure."

John Carson, Regional Director for the U.S. Department of Housing and Urban Development, which provides FHA insured mortgages, stated, "Along with HUD-approved housing counseling agencies, the Hotline provides an additional resource to homebuyers who are experiencing difficulty meeting their mortgage payments."

The Colorado Foreclosure Hotline helps consumers understand their options, negotiate solutions, and find the best resolution for their particular circumstances. The Hotline is also available to consumers who are not in foreclosure but simply want more information about safe, secure ways to finance a home purchase. Callers to the Hotline are put in direct contact with trained housing counselors who will work with the lender and the homeowner to identify a plan of action to address delinquency and evaluate options to help avoid foreclosure. The service is free and confidential. 1-877-601-HOPE.

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